written to the SEBI on the possible violations of US Banking laws by US based banks operating in India. The Commission was furnished copies of the Janakiraman Committee Report. The SEC had also written to the SEBI suggesting investigation into the securities transactions of the US banks,

RBI are taking up with SEC the irregularities in securities transactions of the US banks.

Uniform Tax Rates for NRI

3770. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken note of various suggestions made at the recent seminar on 'Foreign Investments in India' held under the aegis of PHD Chamber of Commerce & Industries, which *inter-alia,* made a plea for imposition of uniform tax rates for NRIs, as reported in the Hindustan Times of the 14th March, 1994;

(b) whether Government are also aware that the NRIs participating in the seminar lamented over the closure of several Indian Investment Centres, thereby clogging communication infow; and

(c) if so, what is Government's reaction thereto and the action Government pro pose to take in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) Yes, Sir. Earlier, as a step towards rationalisation of the tax structure, the Budget proposals for 1994-95 provide that rates of tax for investment (dividends and Interest Income) of nonresident individuals (be they Indian or foreign nationals) and non-resident companies will be at a uniform rate of 20%.

(b) Although the overseas offices of the Indian Investment Centre have been closed it does not appear correct to conclude that the communication inflow has been clogged as Indian Missions abroad have taken on the role of dis-semminating information and promotion of overseas investment in India.

(c) As discussed under (») A O) above.

Excise Duty on Small and Cottage Industries

3771. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state :

(a) whether new excise duties have been levied in the 1994-95 Budget on the woollen yarn used for manufacturing carpets, on cotton yarn, stainless steel strips, brass sheets, glass shells, packing boxes and other items produced in small and cottage industries;

(b) if so, whether it is a fact that thousands of small and cottage industrial units have closed down as a result and lakhs of skilled and unskilled workers have become jobless; and

(c) if so, the measure proposed to be adopted by Government to provide relief to small and cottage industries which are the very soul of our economy, employing more than three crore people against only 78 lakh workers employed in the big industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) In the 1994-95 Budget, full excise duty exemption on certain items like woollen yarns, acrylic spun yams, narrow woven fabrics, cotton yam and cellulosic spun yams made out of duty paid yam and subjected to certain specified processing, printed cartons, boxes, containers and cases when made from specified paper or paperboards as well as unprinted cartons etc. had been withdrawn.

(b) A number of Federations and Associations of small scale units have in their representations, expressed fear that these proposals may result in closure of a number of small Scale units resulting in large scale unemployment of workers. However, in terms of General SSI exemption scheme under Notification l/93-"CE dated 28th February, 1993, SSI units manufacturing specified goods are not required to pay excise duty for clearances upto Rs. 30 lakhs and subsequent clearances upto Rs. 75 lakhs have also been provided certain excise duty concessions. As more than 95% SSI and tiny